

**CLARIFICATIONS TO ELECTRIC POWER AND GAS SUPPLIER
APPLICATION AND INSTRUCTIONS
(as of March 31, 2000)**

The following information is provided to answer common inquiries which the agency has received from prospective applicants, and to clarify certain filing requirements. This information may be updated as additional inquiries are received. If you have a specific question regarding an application which has not yet been submitted, please call (973) 648-4443, or (973) 648-4438. If you have already submitted an application, you will be notified of its receipt and given the name and telephone number of the reviewer. All questions should then be directed to that individual. Thank you.

INSTRUCTIONS

New Jersey Principal Business Office Requirement

- Pursuant to the Electric Discount and Energy Competition Act and the licensing standards adopted by the Board pursuant thereto, an electric power supplier and gas supplier must maintain an office within new Jersey for the purposes of accepting service of process, maintaining records and ensuring accessibility to the Board, consumers and electric and gas public utilities. N.J.S.A. 48:3-78(c)(3); N.J.A.C. 14:4-2.6(d) Accordingly, the licensee must acquire and maintain office space through ownership by the licensee, or through a lease or other arrangement in its name. The licensee must have at least one full or part-time employee of the licensee or a person under contract with the licensee located at the office site. A licensee's attorney and the attorney's New Jersey office do not satisfy these requirements. The individual(s) located at the New Jersey office must be available to answer inquiries from the Board and customers, on a timely basis by telephone and when required, in person. Pursuant to N.J.A.C. 14:4-2.6(d)(3) and (4), a licensee must, at its New Jersey office, maintain summary records related to energy contracts or transactions entered into with New Jersey customers or services provided by the supplier to New Jersey customers, and maintain a record of customer complaints and the resolution thereof. Pursuant to N.J.A.C. 14:4-2.6(d)(5), a hard copy printout and/or on-line access to the required records at the licensee's New Jersey office from databases located outside the State will satisfy the requirements of N.J.A.C. 14:4-2.6(d)(3) and (4).

Checks

- Separate checks must be submitted for application fee and license fee(s)
- Checks must be certified

Certification Under Oath

- If the applicant is a corporation, any officer authorized to certify the application may do so.

Surety Bonds

- Bond(s) must be submitted with application
- A letter of credit may not be substituted for a bond
- Separate bonds required for electric and gas licenses
- Bonds should be dated to coincide with the period of licensing (1 year)
- Obligor is "Treasurer, State of New Jersey"

- Suggested language for bond(s):

DRAFT SURETY BOND

STATE OF _____

COUNTY OF: _____

Bond required by N.J.S.A. 48:3-78 (c) (4) **and/or** N.J.S.A. 48:3- 79 (c) (4)

KNOW ALL PEOPLE BY THIS DOCUMENT, that
we _____

_____ ,
hereinafter referred to as the Principal, with principal offices and place
of business located at _____ and

_____ a corporation organized and existing under the laws of
the State of _____, and authorized to do business in the State
of New Jersey, hereinafter referred to as Surety, are held and firmly bound
unto TREASURER, STATE OF NEW JERSEY, hereinafter referred to as
Obligee, for the use and benefit of all persons establishing legal rights
hereinunder, in the sum of TWO HUNDRED FIFTY THOUSAND AND
NO/100 (\$250,000) lawful money of the United States of America, to the
payments of which sum, well and truly to be made, we bind ourselves, our
executors, administrators, successors, and assigns, firmly by this
document.

WHEREAS, the Principal has made application to the New Jersey Board
of Public Utilities for a license to provide electric generation service and/or
gas supply service to retail customers in the State of New Jersey, and

WHEREAS, pursuant to the Electric Discount and Energy Competition Act
of 1999, N.J.S.A. 48:3-49 et seq., the Principal is required to maintain a
bond to ensure against certain failures.

NOW, THEREFORE, if the Principal shall faithfully pay taxes and
assessments and shall faithfully and truly fulfill all of its service or product
contracts and other contractual commitments to deliver ("electric
generation services" or "gas supply services"), and not file for bankruptcy
or for similar protection under law, then this obligation shall be void,
otherwise to remain in full force and effect as security for the use of the
State of New Jersey and/or the Board of Public Utilities for failure to pay
taxes or assessments and/or of any person or entity, who after entering
into a service or product contract or third party supplier agreement for
service in the State of New Jersey with the above named principal is
damaged or suffers any loss by reason of failure to pay taxes or
assessments or by breach of contract or bankruptcy by this principal.

The aggregate liability of the Surety is limited to the
foregoing sum which sum shall be reduced by any payment made
in good faith hereunder.

The term of this bond is for the period beginning
(_____) and terminating (_____), and may be
continued for an annual period by a Continuation Certificate signed

by the Principal and Surety, a copy of which must be served by registered mail upon the Secretary of the Board of Public Utilities.

In order to draw funds on this Bond, the Secretary of the New Jersey Board of Public Utilities shall present the following document to the Surety:

Affidavit sworn to and signed by the Secretary of the New Jersey Board of Public Utilities, stating that at its public agenda meeting of _____(date) _____, the Board of Public Utilities determined that _____(principal)

_____ has not satisfactorily performed its obligations to a person or entity, who has been damaged or suffered a loss by means of failure to pay taxes or assessments, as required by law, or by reason of breach of contract or violation of N.J.S.A. 48:3-49 et seq. and/or regulations, rules or standards promulgated pursuant thereto.

SIGNED, SEALED AND DATED this _____ day of _____

(Principal)

By:

(Surety)

(Address of Surety)

By:

Notarization Required

APPLICATION – FINANCIAL AND BUSINESS INFORMATION

Pro Forma Estimates (Items C and D)

- These filing requirements have been determined to be not applicable to the initial license application

SEC Filings (Item K)

- It is necessary only to submit most recent 10K and 10Q